



CITY OF DULUTH
INTERDEPARTMENT CORRESPONDENCE
Department of Finance
411 West First Street · Room 107 · Duluth, MN 55802-1197

To: Finance Chair Zack Filipovich, President Emily Larson and the
Duluth City Council

From: Jen Carlson, Budget Manager

Re: Resolution 15-0831R Adopting Fees for 2016

Date: December 3, 2015

Resolution 15-0831R presents the administration's proposal for fees and charges for city activities for 2016. There are 699 separate fees listed in the resolution: **594 are proposed to remain at the same level as 2015**; 43 would increase; 34 fees have been reduced or eliminated; and 28 fees have been restructured. There are no new fees being introduced for 2016.

In 2006, the City Council approved an ordinance requiring an annual review of all city fees and charges, with a resulting fees resolution presented to the Council setting rates for the coming year. The ordinance tied many of the fee increases to the implicit price deflator, or IPD, for government purchases. The IPD is a ratio of current dollar gross domestic product (GDP) to constant dollar GDP, and is used to account for the effects of inflation. No increase in fees and charges is recommended for the change in IPD due to the nominal increase in the IPD (.29 percent) except for annual intoxicating liquor permit fees due to the large dollar size of the fee.

Fee increases for 2016 include increases in athletic field rental rates for Wade Stadium; increases in planning and construction services fees as part of a cost recovery program; increases in public works and utilities billing history fees for increased administrative costs; increases in alcoholic beverage fees pursuant to a municipal comparative analysis; and an increase in the attorney research hourly fee due to increased administrative costs.

Fee decreases for 2016 include a Citywide code and ordinance violation adjustment to match the State criminal fee structure; a Fire commercial use/occupancy permit fee due to a reduction in the areas being inspected; and street lighting system utility fees per the street light five year phase-out plan..

Restructured fees for 2016 include the golf fees per a market rate analysis performed by Billy Casper Golf; alcoholic late fee penalties will be charged on all alcoholic beverage fees; and family heating & cooling system permit fees are now based upon a flat fee rather than based upon valuation.

Finally, some fees that are not currently in use were eliminated.